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Reported Communist intimidation program -- US High
Commissioner McCloy transmits a report
of a conference, held in East Germany and attended
by members of West German Communist-controlled organizations, to outline a program to exploit the Grotewohl proposal

of a conference, held in East Germany and attended by members of West German Communist-controlled organizations, to outline a program to exploit the Grotewohl proposal for the reunification of Germany.

decided at the meeting that if Adenauer refuses Grotewohl's offer, the program to be launched will include: (a) proclamation of a national emergency for all of Germany, in an effort to provide the necessary authority to shift from words to "open action"; (b) development among the West Germans of a pyschology of general resistance against their government; and (c) trials by Peoples Courts of those Germans "in favor of war," presumably as indicated by refusal to subscribe to the Stockholm Peace Appeal, in accordance with the "law for the protection of peace," recently promulgated by the East German Government to intimidate West Germans against rearming. McCloy comments that a

State Dept. review completed

NO CHANGE in Class. 
DECLASSIFIED
Class. CHANGED TO: TS S
DDA Memo, 4 Apr 77
Auth: DDA REG. 77/1763

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considerable degree of credence is given to this report because it appears to be a logical extension of the current Communist policy of alternating intimidation and moral bribery.

### NEAR EAST-AFRICA

| Z. | IRAN: Important political changes expected US Embassy             |
|----|---|
|    | Tehran transmits conflicting information concerning the           |
|    | present confused political situation in Iran. The British         |
|    | Ambassador has told the Embassy "he has come to believe"          |
|    | that the Shah, on the recommendation of Prime Minister            |
| ı  | Razmara, will shortly dissolve the Parliament and call            |
|    | for new elections.  |
|    | for new elections.  |
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|    | The Embassy concludes, on the basis of these reports              |
|    | and numerous demands for changes in the government, that in any   |
|    | case, the position of Razmara is most certainly not improving     |
|    | and that significant political developments may be in the offing. |
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### THE AMERICAS

3. BRAZIL: <u>Lively interest felt in strategic materials</u>—US Embassy Rio de Janeiro expresses its belief that the administration of President-elect Vargas will exhibit "lively interest" in the

CONTILATA

- 2 -

## TO GONT TO ENTIAL

US stockpiling and strategic material program. The Embassy reports that Brazil is vitally interested in certain materials and that it will establish a definite strategic materials program of its own, which will doubtless be used as a bargaining point if the US presses for an assurance of continued and expanded shipments of such materials. The Embassy indicates that Brazil's concern over possible future difficulties in the acquisition of essential materials from the US has been conspicuous in both editorial and official comment.